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*To ensure access to high-quality,
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care to Los Angeles County residents
through direct services at DHS facilities
and through collaboration with
community and university partners.*



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June 04, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT
(ALL DISTRICTS)
(3 VOTES)**

SUBJECT

To request Board approval for the Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at either County facilities and/or at non-County operated facilities under the Trauma Center Service Agreement. The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts:

Patients who received medical care at County facilities:

- (1) Account Number LAC+USC Medical Center – Various \$4,400
- (2) Account Number Harbor-UCLA MC – 1952678 \$5,000
- (3) Account Number Rancho Los Amigos National Rehabilitation Center – Various \$6,000
- (4) Account Number Rancho Los Amigos National Rehabilitation Center – Various \$14,772
- (5) Account Number LAC+USC Medical Center – Various \$21,519
- (6) Account Number LAC+USC Medical Center – 14209393 \$395,375

Patients who received medical care at non-County facility:
(7) Account Number Emergency Medical Services - 532 \$2,000

Total All Accounts: \$449,066

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at a County facility: The compromise offers of settlement for patient accounts (1) - (5) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases. The compromise offer of settlement for patient account (6) is recommended because the offer is the highest amount that could be negotiated with the patient's insurance provider (Commercial or HMO) under the circumstances of the case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary co-insurance or deductible obligations.

Patients who received medical care at non-County facilities: The compromise offer of settlement for patient account (7) is recommended because the County has agreements with certain non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. These agreements allow the County, after it has made payment for a particular patient, to pursue recovery from third parties who are financially responsible for such care.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$449,066.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, the Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff,

plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts. All payments received for the trauma accounts (non-County facilities) will replenish the Los Angeles County Trauma Funds.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is stylized with a large, sweeping "M" and a cursive "Katz".

Mitchell H. Katz, M.D.

Director

MHK:lg

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: JUNE 4, 2013

Total Gross Charges	\$30,119	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$30,119	Date of Service	Various
Compromise Amount Offered	\$4,400	% Of Charges	15 %
Amount to be Written Off	\$25,719	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$30,119 for medical services rendered. The patient has ATP and ORSA with no liability. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost	\$177.50	\$177.50	2 %
LAC+USC Medical Center *	\$30,119	\$4,400	29 %
Other Lien Holders *	\$1,633.25	\$1,633.25	11 %
Patient	-	\$3,789.25	25 %
Total	-	\$15,000	100 %

* Lien holders are receiving 40% of the settlement (29% to LAC+USC Medical Center and 11% to others).

This patient is covered by ATP (inpatient) and ORSA (outpatient) and as a condition of the ATP and ORSA agreements; the County may pursue reimbursement from any responsible third party. Based on the information available, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: JUNE 4, 2013

Total Gross Charges	\$59,678	Account Number	1952678
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$59,678	Date of Service	7/29/11 – 8/04/11
Compromise Amount Offered	\$5,000	% Of Charges	8 %
Amount to be Written Off	\$54,678	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus bicycle accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient gross charges of \$59,678 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33.33 %
Lawyer's Cost	-	-	-
H-UCLA Medical Center	\$59,678	\$5,000	33.34 %
Other Lien Holders	-	-	-
Patient	-	\$5,000	33.33 %
Total	-	\$15,000	100 %

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: JUNE 4, 2013

Total Gross Charges	\$98,937	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$98,937	Date of Service	Various
Compromise Amount Offered	\$6,000	% Of Charges	6 %
Amount to be Written Off	\$92,937	Facility	RLANRC

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Rancho Los Amigos National Rehabilitation Center (RLANRC) and incurred total inpatient and outpatient gross charges of \$98,937 for medical services rendered. The patient's Medi-Cal application is pending. If Medi-Cal is later approved, DHS will bill Medi-Cal and refund the settlement amount. No other coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$30,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$10,000	\$10,000	33 %
Lawyer's Cost	\$254.05	\$254.05	1 %
RLANRC	\$98,937	\$6,000	20 %
Other Lien Holders	\$188,753	Waived	0 %
Patient *	-	\$13,745.95	46 %
Total	-	\$30,000	100 %

* The patient is receiving 46% of the settlement because he suffered severe brain injuries that affected his ability to have gainful employment.

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to RLANRC. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: JUNE 4, 2013

Total Gross Charges	\$80,959	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$80,959	Date of Service	Various
Compromise Amount Offered	\$14,772	% Of Charges	18 %
Amount to be Written Off	\$66,187	Facility	RLANRC

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at Rancho Los Amigos National Rehabilitation Center (RLANRC) and incurred total inpatient and outpatient gross charges of \$80,959 for medical services rendered. The patient has limited scope Medi-Cal that does not cover for these services and was approved for ATP with no liability. The patient's third party liability (TPL) claim settled for \$100,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$32,500	\$32,500	33 %
Lawyer's Cost	\$500	\$500	1 %
RLANRC *	\$80,959	\$14,772	15 %
Other Lien Holders *	\$105,375.83	\$19,228	19 %
Patient	-	\$33,000	33 %
Total	-	\$100,000	100 %

* Lien holders are receiving 34% of the settlement (15% to RLANRC and 19% to others).

This patient is covered by ATP and as a condition of the ATP agreement; the County may pursue reimbursement from any responsible third party. Based on the information provided, this compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: JUNE 4, 2013

Total Gross Charges	\$109,197	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$109,197	Date of Service	Various
Compromise Amount Offered	\$21,518.53	% Of Charges	20 %
Amount to be Written Off	\$87,678.47	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$109,197 for medical services rendered. The patient obtained an attorney and elected to be billed. The patient's third party liability (TPL) claim settled for \$100,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$33,333.33	\$33,333.33	33 %
Lawyer's Cost	\$455.82	\$455.82	1 %
LAC+USC Medical Center *	\$109,197	\$21,518.53	21 %
Other Lien Holders *	\$60,008.13	\$11,586.90	12 %
Patient	-	\$33,105.42	33 %
Total	-	\$100,000	100 %

* Lien holders are receiving 33% of the settlement (21% to LAC+USC Medical Center and 12% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: JUNE 4, 2013

Total Balance	\$504,480	Account Number	14209393
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$504,480	Date of Service	12/15/12 - 1/24/13
Compromise Amount Offered	\$395,375.40	% Of Charges	78 %
Amount to be Written Off	\$109,104.60	Facility	LAC+USC Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that the patient's insurance (Commercial or HMO) could offer under the circumstances of this case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7
DATE: JUNE 4, 2013

Total Charges (Providers)	\$209,687	Account Number	EMS 532
Amount Paid to Provider	\$97,269	Service Type / Date of Service	Inpatient Services 8/19/08 - 9/18/08
Compromise Amount Offered	\$2,000	% of Payment Recovered	2 %

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Long Beach Memorial Hospital and incurred total inpatient gross charges of \$209,687 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$97,269. The patient's third-party claim has been settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$15,000)
Attorney fees	\$5,000	\$5,000	33 %
Lawyer cost	\$942	\$942	6 %
Other Lien Holders	103,194	\$2,529	16 %
Los Angeles County	\$209,687	\$2,000	13 %
Patient		\$4,529	32 %
Total		\$15,000	100 %

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 2% (\$2,000) of amount paid to Long Beach Memorial Hospital.